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Market Development Reports

Success Story – U.S. Meat Promotion

2008

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Report Highlights:

This report outlines the role of the Agricultural Trade Office (ATO) and the U.S. Meat Export Federation (USMEF) in helping to develop and organize the extremely successful three day U.S. meat promotion with Japan's largest food retailer Aeon and its subsidiary MYCAL. The event, which took place from May 30 through June 1 throughout Japan in conjunction with the California Food Fair, resulted in sales of around \$1.2 million worth of U.S. beef and pork.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Osaka ATO [JA3]
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Executive Summary

The ATO, working closely with USMEF, developed and coordinated with Aeon, the largest supermarket chain in Japan, and its subsidiary MYCAL, the successful U.S. meat promotion that resulted in sales of U.S. beef and pork of \$1.2 million. The U.S. meat promotion took place in conjunction with the California Food Fair, which resulted in an additional \$1.42 million in sales.

The U.S. meat promotion was held from May 30-June 1, 2008. U.S. beef and pork products were promoted at the Aeon's 250 stores and MYCAL's 96 stores throughout Japan. In addition, Aeon and MYCAL distributed 17 million newspaper inserts throughout the country advertising U.S. beef and pork.

This was the first major U.S. beef promotion by Aeon since the supermarket resumed selling U.S. beef at the end of April. Aeon and MYCAL promoted U.S. beef and pork alongside a number of California products, which created considerable consumer interest for U.S. products.

U.S. Exporters and Trade Groups Involved in the U.S. Meat Promotions

Below is a table highlighting product, sales, cooperator and packers. The sale of pork was excellent during the promotion. While U.S. beef sales were also brisk, supply was constrained because of age restrictions.

Products	Sales	Cooperator	U.S. Packers
Beef	\$296,900	USMEF	Main packer is in Nebraska
Pork	\$884,900	USMEF	Packers in Indiana and Oklahoma
Total	\$1,181,800	-	-

Background

In December 2003, Japan imposed a ban on U.S. beef imports because of the first U.S. case of bovine spongiform encephalopathy (BSE) or mad cow disease in Washington State. In December 2005, Japan lifted the ban but reinstated it in January 2006 when Japanese inspectors found bone materials among U.S. beef shipments. After several months of intense negotiations, on July 27, 2006, Japan resumed importing U.S. beef from cattle under 21 months of age.

Since Japan reopened its market in 2006, FAS/Japan and USMEF have been working with Aeon to resume sales of U.S. beef at their stores. In April 2008, Aeon began selling U.S. beef once again with a special kickoff event at Aeon's flagship store in Shinagawa, Tokyo. The U.S. Embassy's Deputy Chief of Mission participated in the event.

The joint promotion with the California Food Fair at the end of May gave a unique opportunity to Aeon to not only promote California food products, but also promote U.S. meat at the same time. This joint promotion created considerable consumer excitement about American food products.

ATO's Role: Key to Success

* The ATO has developed a long-term relationship with Aeon, Japan's largest retailer and its subsidiary MYCAL. Through this relationship, and with the close cooperation of USMEF, the ATO was able to convince executives from both of these supermarkets to hold a U.S. meat promotion in conjunction with the California Food Fair.

* The joint cooperation between the ATO and the USEMF helped to ensure the success of this promotion for Japan's largest retailer.

